

LIBRARIES NI

AUDIT AND RISK ASSURANCE COMMITTEE

Minutes of a meeting of the Audit and Risk Assurance Committee held in
Lisburn City Library and via remote video link (Zoom) on
Wednesday 8 June 2022 at 10:30 am

PRESENT

Councillor Glenn Finlay	Chairperson
Councillor Alistair Cathcart	
Professor Bernard Cullen	
Mrs Deirdre Kenny	
Ms Nuala McAuley	

IN ATTENDANCE

Mr Jim O'Hagan	Chief Executive
Mr Desi Miskelly	Director of Business Support
Mr Brian Doherty	Head of Internal Audit
Ms Michelle Anderson	Head of Internal Audit
Ms Rita McNamee	Finance Manager
Ms Patricia Curran	Area Manager
Mr Michael Fry	District Manager
Ms Carole Devine	District Manager
Mrs Catherine O'Hagan	Northern Ireland Audit Office
Mr Barney Conway	ASM
Ms Brenda McGilligan	Department for Communities
Mr Gary Craig	Department for Communities
Ms Angela Hodkinson	Boardroom Apprentice

1. APOLOGIES FOR NON ATTENDANCE

- 1.1 An apology was received from Mrs Wendy Osborne OBE and it was noted that Professor B Cullen would join the meeting at 11:00am.

2. MEMBERS' DECLARATION OF POTENTIAL CONFLICTS OF INTEREST

- 2.1 The Chairperson reminded Members and Officers of the need to declare any actual, potential or perceived conflicts of interest associated with any item on the agenda either now or at the relevant stage during the meeting. No interests were declared.

3. CHAIRPERSON'S BUSINESS

- 3.1 The Chairperson welcomed Members and staff to the meeting, in particular he welcomed Ms M Anderson, who will take up the position of Head of Internal Audit on 13 June 2022. He also welcomed Ms B McGilligan and Mr G Craig from the Department for Communities (DfC), Mrs C O'Hagan, Northern Ireland Audit Office (NIAO) and Mr B Conway, ASM.
- 3.2 He reminded Members that as part of the Leadership Development Plan it had been agreed that some staff should attend and observe at Board and Committee meetings as part of their personal development and welcomed Ms P Curran, Area Manager, Mr M Fry, District Manager, and Ms C Devine, District Manager.

4. CHIEF EXECUTIVE'S BUSINESS

- 4.1 The Chief Executive drew attention to the following matters and correspondence:
- DAO (DoF) 03/22 – Corporation Soles Partnership Agreement Template. This DAO letter has been issued by DoF but has not been reproduced here as it applies only to Corporation Soles such as Ombudsmen, Commissioners etc.
 - DCO (DoF) 01/22 – Timetable for the Whole of Government Accounts
 - DAO (DoF) 04/22 – Annual Theft and Fraud Report 2019/20
 - FD (DoF) 04/22 – Guidance on the Format of the Remuneration Report 2021/22.
- 4.2 Members noted the correspondence.

5. MINUTES OF THE MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE HELD ON 27 APRIL 2022 **ARAC 01.06.22**

- 5.1 On a proposal by Ms D Kenny, seconded by Councillor A Cathcart, the Committee approved the minutes of the meeting of the Audit and Risk Assurance Committee held on 27 April 2022.

6. MATTERS ARISING FROM THE MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE HELD ON 27 APRIL 2022 **ARAC 02.06.22**

- 6.1 The Chief Executive drew attention to the circulated paper detailing action taken as a result of discussion at, and decisions of, the Committee at the previous meeting. He noted that an update would be provided on all matters arising except for those which were on the agenda for further discussion.

Item 6.4: Staff Wellbeing

- 6.2 Mr D Miskelly confirmed that a paper setting out the measures in place and planned actions to address staff wellbeing and morale issues across the organisation will be brought to the October meeting of the Committee.

10.2: Prompt Payment Target

- 6.3 Mr D Miskelly reported that the Department had confirmed that the prompt payment target of 100% was no longer required and therefore Libraries NI will stop reporting this as a formal Key Performance Indicator (KPI). He confirmed that Libraries NI will continue to monitor payment performance internally and to report on invoices paid, as appropriate, for wider public service governance i.e. 90% in 10 days.

Item 10.4: Bi-Annual Assurance Statement

- 6.4 The Chief Executive confirmed that the Bi-Annual Assurance Statement was approved by the Board, signed by the Chief Executive and Chairperson and submitted to DfC.

Item 13.1: Annual Board Assurance Statement

- 6.5 The Chief Executive confirmed that the Bi-Annual Assurance Statement was approved by the Board, signed by the Chairperson and submitted to DfC.

7. INTERNAL AUDIT ACTIVITY REPORT ARAC 03.06.22

- 7.1 The Head of Internal Audit reported on the two audits completed since the last meeting of the Committee held on 27 April 2022, noting that there had been no priority one findings. A list of the completed audits and associated assurance rating is shown in the table below:

Audit Assignment	Assurance Rating
Corporate Governance	Satisfactory
Greystone Library	Satisfactory

- 7.2 In response to a question on a minor finding of the Greystone Library Audit Report, Mr D Miskelly confirmed that pre 2000 a survey of all necessary Libraries NI's premises was carried out to identify asbestos. The presence of asbestos across the estate is in low risk materials only and in line with legal requirements, all the premises that were subject to a survey, hold a report and an asbestos register. These are presented to contractors who attend to carry out works on the premises.
- 7.3 The Head of Internal Audit confirmed that testing was included to provide assurance that Asbestos Registers were reviewed by contractors before the commencement of any work.
- 7.4 Members noted the report.

8. INTERNAL AUDIT ACTIVITY REPORT - OUTSTANDING RECOMMENDATIONS ARAC 04.06.22

- 8.1 Mr B Doherty presented the report showing progress on the implementation of outstanding audit recommendations from previous Internal Audit Reports. He highlighted that of the eight outstanding recommendations there were no priority one recommendations.

8.2 The Head of Internal Audit then referred to each outstanding recommendation in turn, explaining the background. Members noted that it was largely beyond the control of Libraries NI to resolve these recommendations.

8.3 In response to a question about appraisals and the updating of Equal Opportunities and Harassment policies, Mr B Doherty confirmed that the policies are currently with Trade Unions for review therefore it was hopeful this would be completed before the next Committee meeting and that no further extension would be required.

8.4 Members thanked the Head of Internal Audit for the update.

**9. AUDIT AND RISK ASSURANCE COMMITTEE DRAFT ANNUAL REPORT
2021/22 ARAC 05.06.22**

9.1 The Director of Business Support drew attention to the draft Annual Report of the Audit and Risk Assurance Committee 2021/22 detailing the activity of the Committee during the past year. He reminded Members that the report would remain in draft pending completion of the audit of the Annual Accounts by the NIAO and that it would be brought back to Committee to recommend approval to the Board.

9.2 On a proposal by Councillor G Finlay, seconded by Mrs D Kenny, Members adopted the draft report of the Audit and Risk Assurance Committee 2021/22.

**10. LIBRARIES NI DRAFT ANNUAL REPORT AND ACCOUNTS 2021/22
ARAC 06.06.22**

10.1 The Chief Executive presented the Draft Annual Report 2021/22 which sets out in detail, information on Libraries NI's activity and work during the year. He highlighted that the report is in draft pending completion of the audit by the NIAO and that it would be brought back to Committee to recommend approval to the Board at the October meeting. He reminded Members the document should be treated in confidence and not placed in the public arena until the audit and approval processes were fully completed.

10.2 The Chief Executive went on to draw attention to a number of key achievements, activities and events that took place whilst still operating within the evolving environment of the COVID-19 pandemic. He also acknowledged the contribution of the Board Members and staff who left Libraries NI during 2021/22.

10.3 The Finance Manager presented the draft Accounts for 2021/22 noting that they had been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF). She drew attention to key figures in the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows and the Statement of Changes in Taxpayers' Equity and explained variations with 2020/21 figures.

10.4 Members commended the staff involved in preparing the draft Annual Report and Accounts which reflects the high quality service and financial management during another challenging year.

10.5 On a proposal by Councillor G Finlay, seconded by Mrs D Kenny, Members recommended to the Board that the Annual Accounts 2021/22 be submitted to the NIAO.

11. RISK MANAGEMENT REPORT AND REVIEW ARAC 07.06.22

11.1 The Director of Business Support spoke to the Risk Management Report and Review noting the minutes of the Risk Management Group held on 22 May 2022. He then introduced the Corporate Risk Register and reported that given the short period since the last review and that as the business environment, although challenging, had remained relatively stable, there were only minor revisions, mainly to reflect actions that have been completed since the last reporting period.

11.2 The Director of Business Support went on to present the Corporate Risk Horizon Scanning document highlighting emerging challenges and threats which have the potential to impact on the risk profile of the organisation in the future, noting that it had been updated to reflect that work had commenced on the Public Library Strategy and the further impact of the developing cost of living crisis combined with current economic and global uncertainty.

11.3 On a proposal by Councillor G Finlay, seconded by Mrs D Kenny, Members recommended the Corporate Risk Register to the Board for approval.

12. ANTI-FRAUD POLICY (REVISED) ARAC 08.06.22

12.1 The Director of Business Support presented the revised Anti-Fraud Policy to the Committee in line with the annual policy review cycle as set by the Sponsor Body, noting that it had last been reviewed in June 2021. The policy had been reviewed taking account of experience and best practice and no substantive changes had been made.

12.2 Members noted that the policy sets out the responsibilities of all staff in promoting an anti-fraud culture and the specific responsibilities of the Chief Executive, as Accounting Officer, the Director of Business Support, individual managers, Internal Audit and the Audit and Risk Assurance Committee.

12.3 On a proposal by Councillor G Finlay, seconded by Mrs D Kenny, Members recommended the Anti-Fraud Policy (Revised) to the Board for approval.

13. FRAUD RESPONSE PLAN (REVISED) ARAC 09.06.22

13.1 The Director of Business Support presented the revised Fraud Response Plan reminding Members that Libraries NI is required to have in place a Fraud

Response Plan to provide detailed guidance on how to proceed in the event of a suspected or actual fraud.

13.2 He explained that the plan was being reviewed in line with the policy review cycle and had last been reviewed in June 2021. He confirmed that the only substantive changes related to the reference of NIAO updated guidance on Internal Fraud Risks and a change to the Head of Internal Audit.

13.3 On a proposal by Councillor G Finlay, seconded by Mrs D Kenny, Members recommended the Fraud Response Plan (Revised) to the Board for approval.

14. INTERNAL AUDIT ANNUAL PLAN 2022/23: TIMETABLE AND PROGRESS REPORT **ARAC 10.06.22**

14.1 The Head of Internal Audit presented the Internal Audit Annual Plan 2022/23 which incorporated the projected start dates and progress to date for each audit. Members were reminded that the Audit Plan calls for the completion of 25 audits during 2022/23. The Head of Internal Audit reported that to date two audits had been completed and that, while challenging, it represented a plan that the incoming Head of Internal Audit could implement. He commented that by the next meeting of the Committee the incoming Head of Internal Audit would be able to comment on the implementation of the Plan and suggest any amendments she thought necessary for the consideration of the Committee.

14.2 Members noted the report.

15. CODE OF CONDUCT FOR BOARD MEMBERS **ARAC 11.06.22**

15.1 The Chief Executive drew attention to the revised Code of Conduct for Board Members, the purpose of which is to provide a clear framework within which Libraries NI's Board Members are expected to conduct themselves. He reported that the document was presented to the Committee in line with the policy review cycle and that there were no substantive changes.

15.2 On a proposal by Councillor G Finlay, seconded by Mrs D Kenny, Members recommended the Code of Conduct for Board Members (Revised) to the Board for approval.

16. CONFLICTS OF INTEREST POLICY (REVISED) (AND GUIDANCE FOR INFORMATION) **ARAC 12.06.22**

16.1 The Director of Business Support presented the revised Conflicts of Interest Policy and associated guidance to the Committee in line with the annual policy review cycle. He confirmed that there were no substantive changes to the policy and that the guidance was updated to reflect new job titles in line with the organisational structure review.

16.2 On a proposal by Councillor G Finlay, seconded by Ms N McAuley, the Committee approved the Conflicts of Interest Policy (Revised) and recommended it to the Board for approval.

17. SCHEDULE OF MISSION CRITICAL PROJECTS ARAC 13.06.22

17.1 The Director of Business Support presented a report on the current status of the two Mission Critical Projects, e2/e3 and Belfast Central Library.

17.2 Mr D Miskelly highlighted the three main strands in respect of e2/e3 projects: e2 extension, transition to the Public Sector Shared Network (PSSN) and e3 procurement. He reported that the technical refresh of the e2 service infrastructure was completed and that the PSSN transition was underway and progressing. He also reported that e3 procurement remained on programme and that the e3 Full Business Case had been submitted to DfC on 5 May 2022 requesting approval to proceed to the 'Award of Contract' stage.

17.3 The Director of Business Support informed Members that the Strategic Outline Case for Belfast Central Library had been reviewed and updated to the new five case model and has been submitted to DfC for consideration.

17.4 Members noted the report on the Schedule of Mission Critical Projects.

18. DIRECT AWARD CONTRACTS ARAC 14.06.22

18.1 The Chief Executive confirmed that there were no Direct Award Contracts between £1,000 and £30,000 authorised by the Accounting Officer during the period 1 April 2022 to 31 May 2022.

18.2 Members noted the report.

19. AUDIT AND RISK ASSURANCE COMMITTEE SCHEME OF DELEGATION ARAC 15.06.22

19.1 The Chief Executive reminded Members that Corporate Governance best practice recommends that Schemes of Delegation are reviewed regularly. The Audit and Risk Assurance Committee Effectiveness Checklist also requires regular reviews of the Committee's Terms of Reference. Members noted that the Scheme was last reviewed in June 2021 when only minor amendments were made.

19.2 The Chief Executive informed the Committee that having reviewed the Scheme of Delegation, no changes were proposed.

19.3 On a proposal by Councillor G Finlay, seconded by Mrs D Kenny, Members recommended the Audit and Risk Assurance Committee Scheme of Delegation to the Board for approval.

20. ANNUAL GOVERNANCE REPORT

ARAC 16.06.22

- 20.1 The Director of Business Support presented the Annual Governance Report. He reported that there were no incidents of fraud recorded during 2021/22 and that one incident had been anonymously reported under the whistleblowing scheme. Mr D Miskelly outlined the context of the issue that was reported and explained that it was appropriately addressed under Human Resource policies and procedures.
- 20.2 In response to a question, Mr D Miskelly outlined the whistleblowing procedures in dealing with an anonymous concern.
- 20.3 Members noted the Annual Governance Report.

21. NIAO ISSUES

- 21.1 There were no NIAO issues.

22. ANY OTHER NOTIFIED BUSINESS

- 22.1 The Chairperson highlighted that this was the last Audit and Risk Assurance Committee meeting for Mr B Doherty prior to his retirement. On behalf of the Committee, he thanked him for his contribution and commitment to Libraries NI, in particular for his role in the Audit and Risk Assurance Committee, and wished him a long and healthy retirement. Professor B Cullen, Chairperson of the Board, echoed the sentiments on behalf of the Board.

23. DATE OF NEXT MEETING

- 23.1 Members noted that the next scheduled meeting of the Audit and Risk Assurance Committee would be held on Wednesday, 12 October 2022, at 10:45 am in Lisburn City Library with the option to join remotely via video link.

24. MEMBERS ARRIVAL AND DEPARTURE TIMES

- 24.1 The meeting ended at 12:16 pm.
- 24.2 All Members arrived for the commencement of the meeting and remained until it ended, with the exception of the following:
- Ms N McAuley arrived at 10:38 am
 - Professor Bernard Cullen arrived at 11:00 am.

With remote working in place, these minutes, which were approved at the Audit and Risk Assurance Committee on 12 October 2022 are published with an e-signature.

Signed:

Wendy E Osborne .

Mrs Wendy Osborne OBE, Vice Chairperson

Date:

12 October 2022

